

United States Senate

WASHINGTON, DC 20510

December 19, 2013

The Honorable Ben Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

The Honorable Thomas Curry
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

Dear Chairman Bernanke, Chairman Gruenberg, and Comptroller Curry:

I am writing to draw your attention to the impact of the joint agency final rule on Section 619 of the Dodd-Frank Act, the so-called "Volcker Rule," which was finalized on December 10, 2013.

The rule requires all banks, including community banks, to write down their investments in collateralized debt obligations backed by trust preferred securities (TruPS)—pools of securities issued by banks to raise capital. These write downs, as you know, must occur by year-end 2013 and will have a significant and immediate adverse impact on at least sixteen financial institutions in Indiana resulting in nearly \$60 million in losses.

I have heard from several Hoosier community banks about this new treatment of investments by banks in TruPS and believe it to be an unintended consequence of the Volcker Rule. This issue is extremely time sensitive due to the approaching end of the calendar year.

Therefore, respectfully request your immediate consideration in addressing these concerns involving bank investments in TruPS.

If I can be of assistance to you in this urgent matter, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Coats". The signature is written in a cursive style with a large initial "D" and "C".

Dan Coats
U.S. Senator

DRC/jf